

The flip side of megaprojects

Delay in megaproject implementation leads to major draining of public resources and lowers social benefits



A megaproject is a large-scale, costly and complex venture, and its implementation usually takes several years. Often implemented under a public-private partnership, megaprojects can be undertaken in many sectors like transportation, energy, seaport, airport, bridges, mining, etc. The growing tendency of undertaking megaprojects in Bangladesh in recent years is justified by their impacts, which are higher economic growth and helping to meet basic needs of the people. By some estimates, when completed, the currently undergoing megaprojects of the country are supposed to enhance our growth potential by at least four percent. However, the huge delay and cost overruns of these projects are causing a big drain in the national budget and lowering the social benefits.

Now, what are the drivers that are pushing the adoption of so many megaprojects in the country? Analysing them will show that, besides the justification given by the economic

viability calculated through cost-benefit analysis, there are four other factors that underlie the decisions to take up the megaprojects. These are: a) Technological aspect which broadly means that, globally speaking, there are proven designs, standard implementation modalities, and manpower available to implement a megaproject; b) Vested interest created by a range of stakeholders

have been many issues, and lessons are being learnt constantly. Each of the megaprojects has experienced serious delays and thus caused huge cost overruns. Such cost escalations have big benefit shortfalls on the other side of the equation, reducing the impacts of these projects. People also suffer for a long period of time due to the inconveniences created during the construction period, and

built with huge financial costs. There are various factors causing delays in project implementation. These are related to weak initial designing that require time-consuming revisions and government approval, inadequate contract negotiation skills with international bidders, time-consuming land acquisition process, problem in timely procurement of items, complicated fund release procedures, multiple players in some cases—like the Dhaka Metro Rail project—where coordination is a big issue, strict environmental and social standards required by the projects with which the authorities are not fully conversant, and weak monitoring and supervision of the work.

Let's take the 6.15km Padma Bridge, for instance: the cost of this project was estimated to be Tk 10,161 crore in 2007, but has increased to Tk 39,246 crore by now. The work on this bridge started in 2009 and was supposed to be completed in 2014. Several revisions of the cost estimate were necessary as a result of the long delay in implementation. Due to this delay, cost recovery will take longer or at a higher rate or both—thus, the social return from investment will be lower than that calculated at the time of the project's feasibility study.

To deal with increased fund requirements, the government has enhanced the total budgetary allocation of seven megaprojects from Tk 25,473 crore in 2020-21 fiscal year to Tk 37,000 crore in 2021-22. These are: Padma Bridge, Padma Bridge rail link, Dhaka Mass Rapid Transit Line 6 (Metro Rail), Chattogram-Cox's Bazar rail link, Rooppur Nuclear Power Plant, Matarbari 1,200MW coal-fired power plant, and the Payra deep seaport.

The government should properly analyse the technological, financial, coordination and management issues associated with the megaproject execution, and take lessons for the improvement of these projects, so that

the delays and cost escalation could be minimised. A report published by *The Daily Star* on September 16 said the 1.47-kilometre Payra Bridge, which was finished at a cost of Tk 1,447.24 crore, took five years longer than the stipulated deadline and cost 3.5 times more than the original estimate. Another report by *The Daily Star*, published on September 24, revealed that the Chattogram Development Authority (CDA) had been implementing a Tk 5,617 crore megaproject to solve the drainage problem in the city and extended it for three more years in two phases. The various components of the project have seen a cost escalation between 8 and 38 times, while only 29 percent of the total budget has been spent so far. The reasons for delay has been mentioned in a government study: flawed feasibility study; slow pace of fund disbursement; shortage of workforce; and poor coordination between the implementing and consulting firms. Similarly, another report dated September 24 by *The Daily Star* said the Dhaka-Sylhet-Tamabil highway megaproject was expected to experience a two-and-a-half-year delay, and the cost was expected to double.

In order to expedite implementation, the megaproject management should draw up time-bound work plans, expedite fund release, improve communication and take quick decisions, and strengthen monitoring mechanisms. With so many resources tied up in megaprojects, we need to remember that we are foregoing other alternative uses of these scarce resources coming from our taxpayers' money. Therefore, the government needs to do its utmost to ensure timely and optimum utilisation of public resources. To this end, Bangladesh must improve its megaproject execution capacity.

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Megaprojects are crucial for long-term economic growth of a country, but time and cost overruns turn them into a waste of taxpayers' money.

PHOTO: SUMAIYA SHAMS

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who are engineers, suppliers, bankers, consultants, and construction workers, benefiting from these projects; c) Political aspiration to undertake such a project due to the clout and image created; and d) Relative ease in spending money quickly, showing improved budget-expenditure ratio and the convenience of managing a single megaproject, instead of dealing with many regular-sized deals.

Although the justifications are many, Bangladesh has been facing a different type of reality in terms of project management and execution since it decided to go for megaprojects. There

not receiving the services for long. This actually weakens the credibility of the government and raises questions about the capability of public institutions to execute these projects.

An analysis of the implementation performance will show that the costs have gone over the budget estimates for all the megaprojects that are currently being implemented in Bangladesh. Although their performance improved in 2019, the Covid-19 pandemic affected the progress of project implementation in 2020 and 2021.

While viewed as technologically successful, the megaprojects are being

WORLD HABITAT DAY

Can we make Dhaka better?



DEBRA EFROYMSON

HAVING lived in Dhaka for more than 20 years and, prior to Covid-19, travelled to many other cities, I've had plenty of opportunities to reflect on what makes a city great. On the occasion of World Habitat Day today, it's worth considering: Do people crave high-rise buildings, wide roads, and fancy airports, or are other aspects of a city more important?

It is easy to lose track of basic essentials in pursuit of a dream of the modern, sophisticated city of the 21st century. But the truth is people's basic needs remain the same as they have for thousands of years, though our urban habitats do an ever worse job of catering to them.

People need jobs, housing, and transport, but they also need fresh air. They need to be able to concentrate on their work and studies, and to sleep peacefully at night. They need to feel connected to those who share their living environment. Children especially need to play, but people of all ages need opportunities to interact, to socialise, to relax, and to enjoy themselves outdoors.

A great city is one that caters to people's basic needs before considering how to provide for modern aspirations—especially those that harm others. In great cities, people

can move about safely on foot and by bicycle; public transit rewards rather than punishes its users. In great cities, use of the automobile is discouraged through parking charges, congestion fees, and car-free areas. People are prioritised. The streets, rather than being littered with cars, are full of people moving, talking, buying and selling. The presence of so many people outdoors increases safety. A great city is welcoming to everyone, not just young able-bodied men.

In great cities, there is an abundance of parks, plazas, and other open public spaces where people can enjoy themselves outdoors, where different kinds of people can meet and mingle. These are possible partly because infinite space is not accorded

and operate a public transit system combined with a bicycle network and good footpaths, than to build and maintain flyovers and highways. It's much more affordable for the residents if they can access public transit, and walk and cycle, than if they must purchase and maintain a car or a motorbike.

Another vital aspect of great cities is that much of what people need is available close to their residences. Neighbourhoods involve a mix of uses. Children can walk or cycle to school; people can walk or cycle to work, to shops, to restaurants, to visit their friends. It is easier to cross the street than to cross the city.

Given all that, Dhaka could become a great city if people understood

in a web of debt to buy and operate an automobile because it is the only feasible way to move around. With many minor and, yes, a few major changes, Dhaka could become great by greatly reducing its cars and enhancing its facilities for more efficient, safer, and less polluting travel, by placing shops and businesses on the ground floors of buildings rather than car parks, and by making clean air and some peace and quiet priorities.

In fact, Dhaka could simultaneously become more liveable, climate-resilient, and less polluted. Take away most of the cars, and there would be more space to rip out asphalt and replace it with porous surfaces that would ease waterlogging. More dirt, canals, and trees in the city would make the city more attractive and cooler. In contrast, the car-oriented city where I grew up back in America would basically have to raze itself and start all over to achieve anything like the sustainable, resilient city that Dhaka could become almost overnight.

Very recently, for 18 months, I did not use motorised transport. I took lots of walks and went jogging near my home. I took a few short rickshaw rides and one or two bicycle rides. Mostly I stayed hyper-local, in contrast to my previous hyper-mobile lifestyle. The more time I spent in my Dhaka neighbourhood, the more I appreciated it. Most people are on foot. People sell things on the sides of the road, from rickshaw vans and bicycles and directly on the street. In the evenings, people stroll around, looking at the goods and chatting with the vendors.



With a few simple, efficient steps, this picture of Dhaka, which is now painfully common, could become history.

FILE PHOTO: PALASH KHAN

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to the notoriously space-inefficient automobile.

The funny thing about great cities is, while many of them are wealthy, they are actually more affordable to design and operate than car-centric cities. It requires far less money to build

what its true assets were, and stopped chasing a ridiculous dream of the high-class, modern, car-clogged city that many seem to aspire to: a city of pollution, of car crashes, of fear of strangers, of social isolation and unrest. A city where people are caught

Children roam the streets, confidently independent. Everyone knows me and many talk to me, but I also see people greet and talk to each other. This is a low-income neighbourhood that is wealthy in vitality, sociability, and community cohesion. It is a microcosm of what all of Dhaka could become.

Yes, with a different set of policies and priorities, Dhaka could climb out of the ranks of unliveable cities and become a world-class city—not for its monumental skyscrapers and multi-level expressways, but for its lively, friendly street life, its complete neighbourhoods, and its colourful, chaotic, attractive street life.

Debra Efrogymson is executive director of the Institute of Wellbeing, Bangladesh, and author of "Beyond Apologies, Defining and Achieving an Economics of Wellbeing."

QUOTABLE Quote

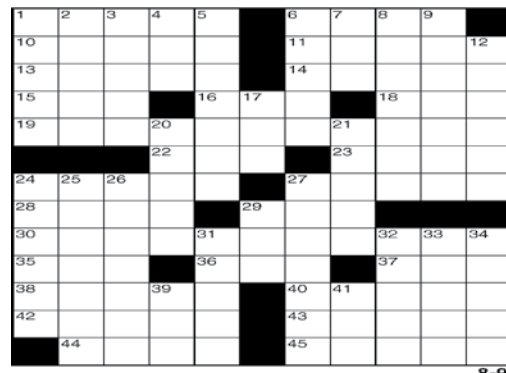


PAULA GUNN ALLEN
(1939 - 2008)
American poet

Truth, inwardly accepted, humbling truth, makes one vulnerable. You can't be right, self-righteous, and truthful at the same time.

CROSSWORD BY THOMAS JOSEPH

- ACROSS**
- 1 Letter before iota
 - 6 In need of a massage
 - 10 "Bolero" composer
 - 11 Pencil part
 - 13 Disney's mermaid
 - 14 Valerie Harper sitcom
 - 15 "The Addams Family" cousin
 - 16 King of France
 - 18 Singer Reed
 - 19 Criticizing severely
 - 22 GI-entertaining grp.
 - 23 Aid in crime
 - 24 "Hello" singer
 - 27 Eggs on
 - 28 Kingly address
 - 29 Curvy letter
 - 30 Persuading through persistent effort
 - 35 Curvy letter
 - 36 Genetic stuff
 - 37 Compete
 - 38 Scoundrel
 - 40 Diner bowlfuls
 - 42 Entices
 - 43 Not rented out
 - 44 Phone message
 - 45 Garden starters
- DOWN**
- 1 Characteristic
 - 2 Writer Bret
 - 3 Juan Peron's wife
 - 4 Casual top
 - 5 Courtroom order
 - 6 Parsley unit
 - 7 Sound of delight
 - 8 1970 John Wayne film
 - 9 Supplied with funding
 - 12 Heckles
 - 17 Lennon's love
 - 20 King or czar
 - 21 Was bold
 - 24 Too
 - 25 Becomes extinct
 - 26 Sign of error
 - 27 Winged horse
 - 29 Blitzer's network
 - 31 That is: Latin
 - 32 Future seed
 - 33 Used a sponge
 - 34 Bird homes
 - 39 Kinsey topic
 - 41 Count start



YESTERDAY'S ANSWERS

S H O E A H A B
S T O R M L I M E S
A R O S E O M A H A
G O F O R T H Z E N
A V E G O A H E A D
L E R N E R O D D S
A D O B E
A M E N N A D I R S
G O S O U T H C I A
A M P G O A L O N G
P E A R L M A N S E
E N N U I A R I E S
T A B S S A C S

BEETLE BAILEY

BY MORT WALKER



BABY BLUES

BY KIRKMAN & SCOTT



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